

MULTIMEDIA



UNIVERSITY

STUDENT ID NO

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# MULTIMEDIA UNIVERSITY

## FINAL EXAMINATION

TRIMESTER 1, 2019/2020

### BMK1024 – FUNDAMENTALS OF MARKETING

( All sections / Groups )

17 OCTOBER 2019  
9.00 a.m – 11.00 a.m  
( 2 Hours )

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#### INSTRUCTIONS TO STUDENTS

1. This question paper consists of **FIVE (5)** printed pages (excluding cover page) with:  
**Section A:** Twenty (20) multiple-choice questions (40 marks)  
**Section B:** Three (3) structured questions (60marks)
2. Answer **ALL** questions.
3. Answer **Section A** in the multiple-choice answer sheet provided and **Section B** in the answer booklet provided.
4. Marks allocations are shown at the end of each question.

**SECTION A: MULTIPLE CHOICE QUESTIONS.****ANSWER ALL QUESTIONS (40 MARKS)**

- 1) After estimating the demand and costs associated with alternative prices, a company has chosen to price its product in such a way that it gains the highest rate of return on its investment. The company is looking to \_\_\_\_\_.
  - A) maximize market share
  - B) skim the market
  - C) become a product-quality leader
  - D) survive in the market
  - E) maximize current profit
  
- 2) When Apple introduced its iPhone, it was priced at \$599. This allowed Apple to earn the maximum amount of revenue from the various segments of the market. Two months after the introduction, the price had come down to \$399. What kind of pricing did Apple adopt?
  - A) loss-leader pricing
  - B) market-penetration pricing
  - C) market-skimming pricing
  - D) target-return pricing
  - E) value pricing
  
- 3) Companies who believe that higher sales volume leads to lower unit costs and higher long-run profits are attempting to \_\_\_\_\_.
  - A) maximise their market share
  - B) skim the market
  - C) become a product-quality leader
  - D) merely survive in the market
  - E) maximise their current profits
  
- 4) When a company introduces a product at a high price and then gradually drops the price over time, it is pursuing a \_\_\_\_\_ strategy.
  - A) market-penetration pricing
  - B) market-skimming pricing
  - C) value-pricing
  - D) switching cost
  - E) loss-leader pricing
  
- 5) If demand hardly changes with a small change in price, the demand is said to be \_\_\_\_\_.
  - A) strained
  - B) marginal
  - C) inelastic
  - D) flexible
  - E) unit elastic

- 6) JJ pays overhead each month, including his company's bills for rent, heat, interest, and salaries, which are examples of \_\_\_\_\_ costs.
- A) total
  - B) average
  - C) activity-based
  - D) variable
  - E) fixed
- 7) Which of the following firms is most likely to seek radical innovation?
- A) a traditional publishing company
  - B) a small scale FMCG company
  - C) a firm that procures and markets wheat
  - D) a high-tech firm in telecommunications
  - E) a firm that sells mineral water
- 8) Joseph, a student of Columbia University, finds many of his classmates have purchased an iPad tablet from Apple. The iPad, launched a few months before has been identified as a beneficial product, and many students in the US have rated it highly. Considering all these, Joseph also decides to purchase an iPad. Which of the following is the adopter group to which Joseph belongs?
- A) early adopter
  - B) innovator
  - C) late majority
  - D) laggard
  - E) early majority
- 9) The relative advantage of innovation refers to the degree to which \_\_\_\_\_.
- A) it matches the values and experiences of the individuals
  - B) it is difficult to understand or use
  - C) it can be tried on a limited basis
  - D) it appears superior to existing products
  - E) the benefits of use are observable or describable to others
- 10) Products such as insurance, cemetery plots, and smoke detectors are examples of \_\_\_\_\_ goods that are products that the consumer does not know about or does not usually think of buying.
- A) speciality
  - B) unsought
  - C) heterogeneous shopping
  - D) homogeneous shopping
  - E) convenience

- 11) A group of products within a product class that are closely related because they perform a similar function are sold to the same customer groups are marketed through the same outlets or channels, or fall within given price ranges is known as a \_\_\_\_\_.
- A) product type
  - B) product class
  - C) need a family
  - D) product variant
  - E) product line
- 12) A \_\_\_\_\_ is the set of all products and items a particular seller offers for sale.
- A) product line
  - B) product mix
  - C) product extension
  - D) product system
  - E) product class
- 13) Happy Home Products produces detergents, toothpaste, bar soap, disposable diapers, and paper products. This company has a product \_\_\_\_\_ of five lines.
- A) type
  - B) length
  - C) class
  - D) mix
  - E) width
- 14) Which of the following elements of the marketing communications mix refers to any paid form of nonpersonal presentation and promotion of ideas, goods, or services by an identified sponsor via print, broadcast, network, electronic, and display media?
- A) advertising
  - B) personal selling
  - C) sales promotion
  - D) direct marketing
  - E) public relations
- 15) Which of the following elements of the marketing communications mix includes a variety of programs directed internally to employees of the company or externally to consumers, other firms, the government, and media to promote or protect a company's image or its product communications?
- A) direct marketing
  - B) public relations and publicity
  - C) personal selling
  - D) advertising
  - E) sales promotion

- 16) Which of the following elements of the marketing communications mix involves face-to-face interaction with one or more prospective purchasers for the purpose of making presentations, answering questions, and procuring orders?
- A) advertising
  - B) sales promotion
  - C) word-of-mouth marketing
  - D) public relations
  - E) personal selling
- 17) \_\_\_\_\_ is a measure of communications effectiveness that describes the percentage of the target market exposed to communication.
- A) Frequency
  - B) Reach
  - C) Width
  - D) Depth
  - E) Range
- 18) Which method for establishing the total marketing communications budget sets communication budgets to achieve the same amount of share-of-voice as competitors?
- A) comparative-parity method
  - B) objective-and-task method
  - C) affordable method
  - D) competitive-parity method
  - E) percentage-of-sales method
- 19) A(n) \_\_\_\_\_ appeal is a creative strategy that elaborates on product or service attributes or benefits.
- A) aesthetic
  - B) informational
  - C) bandwagon
  - D) emotional
  - E) transformational
- 20) Gabrielle is the chief marketing officer of Boyd Pharmaceuticals. She is meeting with Trent, the chief financial officer, to decide on the company's marketing communications budget. After extensive discussions, they decide that the size of the budget will be calculated as a fraction of the overall turnover. What method did Gabrielle and Trent use to arrive at the marketing communications budget?
- A) affordable method
  - B) objective-and-task method
  - C) competitive-parity method
  - D) activity-based method
  - E) percentage-of-sales method

**SECTION B: ESSAY QUESTIONS**

**3 QUESTIONS. ANSWER ALL QUESTIONS. MARKS FOR EACH QUESTION ARE SHOWN AT THE END OF EACH QUESTION (60 MARKS).**

**QUESTION 1**

After launching a new product, the management of an organisation will want their product to enjoy a long and profitable life. The management is aware that each product will have its unique life cycle. Explain each step in a typical product life cycle and suggest marketing effort for each of the steps. (20 marks)

**QUESTION 2**

Due to the growth of the Internet and digital technologies, many smart devices have been created, resulting in the introduction of a wide range of online social media and digital communities. Identify and describe the methods where marketers can engage their customer in social media. Discuss the advantages of using social media to engage the customer. (20 marks)

**QUESTION 3**

Suppose you are the marketing coordinator responsible for recommending the sales promotion plan for the market launch of a new brand of Red Bull energy drink sold in supermarkets. What promotional tools would you consider for this task? Explain. (20 marks)

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